

TELFORD & WREKIN COUNCIL

CABINET – 19 May 2022

AUDIT COMMITTEE – 26 May 2022

THE ANNUAL GOVERNANCE STATEMENT 2021/22

JOINT REPORT OF THE CHIEF FINANCIAL OFFICER AND MONITORING OFFICER

LEAD CABINET MEMBER – CLLR RAE EVANS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 It is proposed that Cabinet agrees the Annual Governance Statement 2021/22 (“the AGS”) attached at Appendix 1 prior to the statement being signed by the Leader of the Council and Chief Executive. The AGS will then be reported to the Audit Committee for review and approval and will accompany the 2021/22 accounts.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet notes and agrees the Annual Governance Statement 2021/22, attached at Appendix 1 to this report; and
- 2.2 It is recommended that the Audit Committee notes and approves the Annual Governance Statement 2021/22 attached at Appendix A to this report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	The Governance Framework encompasses the whole Council and all of the Council’s priorities.
	Will the proposals impact on specific groups of people?	
	No	

TARGET COMPLETION/DELIVERY DATE	The Annual Governance Statement should be signed and ready to accompany the 2021/22 accounts when reported to Audit Committee.	
FINANCIAL/VALUE FOR MONEY IMPACT	No	<p>The governance framework includes several financial elements, including the Council's financial regulations, the Medium Term Financial Strategy and the Treasury Management Strategy. These provide the financial parameters, systems, processes and guidelines within which the Council must operate and, as such, assist in the delivery of good governance. Strong financial management also supports the delivery of value for money in ensuring economy, efficiency and effectiveness in the Council's decision making and processes.</p> <p>The Council's external auditors give an opinion on the financial statements of the authority and a value for money conclusion in their opinion on the accounts and in their Annual Audit Findings Report each year which provides further assurance.</p> <p>KC 13/04/22</p>
LEGAL ISSUES	Yes/No	<p>The Council is required to comply with the requirements of the Audit and Accounts Regulations 2015. Regulation 6 of these Regulations sets out that the authority must undertake a review of the effectiveness of its internal control systems on an annual basis and prepare an annual governance statement. The annual governance statement must be approved in advance of the annual statement of account.</p> <p>AL – 13/04/2022</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Good governance supports the identification and management of risks and robust control arrangements.
IMPACT ON SPECIFIC WARDS	Yes	Borough-wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 Under the Accounts and Audit Regulations 2015 (“the Regulations”), the Council is required to produce an Annual Governance Statement (“AGS”). It is best practice for the AGS to be signed by the Leader of the Council and the Chief Executive. This statement should be approved in advance of, and accompany, the annual statement of accounts.
- 4.2 The AGS for 2021/22 is attached at Appendix 1 and has been developed based upon the requirements of the Regulations and CIPFA/SOLACE guidance. The AGS includes a draft action plan (Annex 1) to ensure that the Council continues to improve its existing governance arrangements. A final version of the action plan will be presented to the Audit Committee for final approval in May 2022.
- 4.3 The action plan attached to the 2020/21 AGS (implemented during 2021/22) has been reviewed and updated to reflect current progress. Any actions still in progress from the 2020/21 plan have been incorporated into the 2021/22 plan.
- 4.4 The AGS and the Local Code of Good Governance outlines that the Council has a robust governance framework in place but that it is continually reviewing procedures to maintain and demonstrate good corporate governance. It is supported by risk management and sound systems of internal control which are paramount in the financially constrained circumstances within which the Council operates. The Council can be assured that, during 2021/22, including during organisational changes and the continued response to the global Covid-19 pandemic, the existing or revised governance arrangements have continued to support proper and appropriate governance. Where required, changes to procedures have been agreed by SMT and changes to the Constitution have been agreed by full Council via the Council’s Constitution Committee.
- 4.5 Assurance for the AGS is provided by all areas of the Council and externally by the following:-
- a) Leader of the Council and Chief Executive – who sign the AGS to acknowledge their responsibilities;
 - b) Senior management – the Chief Executive, Executive Directors and Directors;
 - c) Chief Financial Officer
 - d) Monitoring Officer
 - e) Members – Scrutiny arrangements, Standards Committee, Audit Committee and other Regulatory Committees;
 - f) Internal Audit;

- g) Partners;
- h) External Audit; and
- i) Other external inspection agencies

- 4.6 The 2021/22 AGS sets out adherence to the Council's governance arrangements that were in operation during the period 1 April 2021 to 31 March 2022 and measures the effectiveness of them.
- 4.7 The Council's current Code of Good Governance was approved on 27 May 2021 to reflect the CIPFA/SOLACE framework including any revised principles, guidance and good practice received in the preceding year. A revision of the code will be presented to Audit Committee in May 2022.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Not applicable.

6. PREVIOUS MINUTES

May 2021.

7. BACKGROUND PAPERS

None

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